



**GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE**

320 Sixth Avenue, North – 8th Floor
NASHVILLE, TENNESSEE 37243-0057
615-741-2564

Sen. Bill Ketron, Chairman
Senators

Douglas Henry Reginald Tate
Doug Jackson Ken Yager
Brian Kelsey
Randy McNally, *ex officio*
Lt. Governor Ron Ramsey, *ex officio*

Rep. Charles Curtiss, Vice-Chairman
Representatives

Harry Brooks Donna Rowland
Curtis Johnson Tony Shipley
Steve McManus Curry Todd
Mary Pruitt Eddie Yokley
Craig Fitzhugh, *ex officio*
Speaker Kent Williams, *ex officio*

M E M O R A N D U M

TO: The Honorable Dave Goetz, Commissioner
Department of Finance and Administration

FROM: Bill Ketron, Chairman, Fiscal Review Committee *BK*
Charles Curtiss, Vice-Chairman, Fiscal Review Committee *CC*

DATE: June 2, 2010

SUBJECT: Contract Comments
(Fiscal Review Committee Meeting 6/2/10)

RFS# 318.66-05308

Department: Finance & Administration/Bureau of TennCare

Contractor: Volunteer State Health Plan – East Tennessee Region

Summary: The vendor is responsible for the provision of medical and behavioral health services to TennCare enrollees in East Tennessee. The proposed amendment adds language to comply with the Annual Coverage Assessment Act of 2010; creates new method for adjusting the long-term care component of the base capitation rate; and adds new liquidated damages.

Maximum liability: \$1,771,480,000

Maximum liability w/amendment: \$1,771,480,000

After review, the Fiscal Review Committee voted to recommend approval of the contract amendment.

cc: The Honorable Darin Gordon, Deputy Commissioner
Mr. Robert Barlow, Director, Office of Contracts Review